

**EFFECTS OF HUMAN RESOURCES POLICIES ON TURNOVER LEVEL WITHIN  
THE BANKING SECTOR IN KENYA: A CASE STUDY OF BARCLAYS BANK KENYA,  
QUEENSWAY BRANCH**

**JOSHUA MUTINDA KILONZO**

**A RESEARCH PROJECT SUBMITTED TO THE SCHOOL OF MANAGEMENT AND  
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THE MANAGEMENT UNIVERSITY OF AFRICA**

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## **DECLARATION**

### **Declaration by the student**

This is my original work and has not been presented to any other university.

Name: Joshua Mutinda Kilonzo Signature: \_\_\_\_\_ Date: \_\_\_\_\_

**BML/13/00464/1/2016**

### **Declaration of the Supervisor**

This research project has been submitted for examination with my approval as University supervisor.

Name: David Kanyanjua Signature: \_\_\_\_\_ Date: \_\_\_\_\_

**Management University of Africa**

## **DEDICATION**

I gratefully dedicate the research project to my family and friends who have been supportive and encouraging.

## **ACKNOWLEDGEMENT**

I take this opportunity to give thanks to the Almighty God for his Grace and journeying with me through the process of writing the proposal. I would also like to thank in a special way, my lecturer, Mr. Simon Obwatho whose support and advice were instrumental in preparation of this proposal. I am very grateful to my loving family, friends and in a profound way with my supervisor, David Kanyanjua, for the guidance, encouragement, support and advice which were instrumental in preparation of this project.

## **ABSTRACT**

The purpose of this research was to investigate the effects of human resource policies on turnover level in the banking sector in Kenya. The research focused on a select number of Human Resource Policies on the turnover levels in an organization. The specific objectives of the study were; to examine the effects of training and development policies, reward policies, retention policies and promotion policies respectively on turnover level within the banking sector in Kenya. The study's target population comprised of 134 employees of Barclays bank of Kenya's Queensway Branch. The research design was descriptive research design and the data collection instruments used to collect data were questionnaires which were personally administered by the researcher and analyzed qualitatively and quantitatively based on the objectives of the study. Further, stratified random sampling methods were adopted for the purposes of the study. The beneficiaries of the study will include; the human resource manager of Barclays bank, employees of the respective branch and other researchers. The study indicated that there existed a strong relationship between, training and development, reward policies, promotion policies and retention policies and thus affected turnover level in the banking sector in Kenya. Majority of the respondent stated that Barclays failed to train their employees on regular basis and this resulted in high employee's turnover. Reward policies as indicated by respondent was not properly formulated. The respondents were of the opinion that reward was not based on performance and thus created conflict among employees which resulted in employee turnover at Barclays Bank. The bank lacked proper retention policies as indicated in the study. Promotion policies in the organization were not properly formulated and thus affected turnover levels at the bank. The study recommendations were as follows; Barclays bank should conduct training for their employees on frequent basis, employees should be rewarded based on their performance, a comprehensive retention policy should be developed and implemented by the organization and last but not least, promotion policies should be properly formulated.

## TABLE OF CONTENTS

DECLARATION.....	ii
DEDICATION .....	iii
ACKNOWLEDGEMENT .....	iv
ABSTRACT.....	v
TABLE OF CONTENTS .....	vi
LIST OF TABLES .....	ix
LIST OF FIGURES .....	x
ACRONYMS AND ABBREVIATIONS .....	xi
OPERATIONAL DEFINITION OF TERMS .....	xii
CHAPTER ONE .....	1
INTRODUCTION .....	1
1.0 Introduction.....	1
1.1 Background of the Study.....	1
1.1.1 Banking Sector in Kenya .....	5
1.1.2 Barclays Bank of Kenya .....	5
1.2 Statement of the Problem.....	6
1.3 Objectives of the Study .....	6
1.3.1 General Objectives of the Study .....	6
1.3.2 Specific Objectives of the Study .....	6
1.4 Research Question .....	7
1.5 Significance of the Study .....	7
1.5.1 To the Human Resource Managers .....	7
1.5.2 To the employees .....	7
1.5.3 To the Researcher/Academicians .....	8
1.6 Scope of the Study .....	8
1.7 Chapter Summary .....	8
CHAPTER TWO .....	9
LITERATURE REVIEW .....	9

2.0 Introduction.....	9
2.1 Theoretical Literature Review .....	9
2.1.1 Two Factor Theory.....	9
2.1.2 Maslow’s Hierarchy of Needs Theory .....	9
2.2 Empirical Literature Review.....	10
2.2.1 Employee Turnover Level.....	10
2.2.2 Training and Development Policies and Turnover Levels.....	11
2.2.3 Reward Policies and Turnover Levels .....	12
2.2.4 Retention Policies and Turnover Levels .....	14
2.2.5 Promotion Policies and Turnover Levels.....	16
2.3 Summary of Review and Research Gaps.....	17
2.4 Conceptual Framework.....	17
2.5 Operationalization of Variables.....	17
2.6 Chapter Summary .....	19
CHAPTER THREE .....	20
RESEARCH METHODOLOGY.....	20
3.0 Introduction.....	20
3.1 Research Design.....	20
3.2 Target Population .....	20
3.3 Sample and Sampling Technique .....	21
3.4 Research Instruments .....	21
3.5 Pilot Study.....	22
3.5.1 Validity of the Research Instrument.....	22
3.5.2 Reliability of the Research Instrument .....	22
3.6 Data Collection Procedure .....	22
3.7 Data Analysis and Presentation.....	23
3.8 Ethical Considerations .....	23
3.8.1 Informed Consent.....	23
3.9 Chapter Summary .....	24
CHAPTER FOUR.....	25
DATA ANALYSIS, PRESENTATION AND INTERPRETATION OF FINDINGS .....	25
4.0 Introduction.....	25

4.1 Presentation of Findings .....	25
4.2 Limitations of the study .....	34
4.3 Chapter summary .....	34
CHAPTER FIVE .....	35
SUMMARY, CONCLUSIONS AND RECOMMENDATIONS .....	35
5.0 Introduction .....	35
5.1 Summary of Findings.....	35
5.2 Conclusion .....	36
5.3 Recommendations .....	36
5.4 Suggestion for Further Study .....	37
REFERENCES .....	38
APPENDICES .....	42
APPENDIX I: LETTER OF INTRODUCTION .....	42
APPENDIX 11: QUESTIONNAIRE.....	43



## LIST OF TABLES

Table 2.1 Operationalization of Variables .....	18
Table 3.1 Target Population .....	20
Table 3.2 Sample Size .....	21
Table 4.1 Response rate .....	25
Table 4.2 Gender analysis .....	25
Table 4.3 Age Bracket .....	26
Table 4.4 Education Level .....	26
Table 4.5 Training and Development Policies .....	27
Table 4.6 Extent of Training and development on turnover levels .....	27
Table 4.7 Whether Reward Policies affect Employee turnover .....	28
Table 4.8 Extent of reward policies on employee turnover .....	28
Table 4.9 Whether Employees are Satisfied with Reward Offered in the Organization.....	29
Table 4.10 Extent of Retention Policies on turnover Levels .....	29
Table 4.11 Whether Retention Policies affect Turnover Levels.....	30
Table 4.12 Effect of Retention policy on Turnover Levels.....	30
Table 4.13 Whether Promotion Policies affect turnover levels.....	31
Table 4.14 Level of Satisfaction .....	32
Table 4.15 Extent of promotion policies on turnover levels .....	32
Table 4.15 Correlation Analysis.....	33

## LIST OF FIGURES

Figure 2.1 Conceptual Framework .....	17
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## **ACRONYMS AND ABBREVIATIONS**

<b>ATM</b>	Automatic Teller Machines
<b>CBA</b>	Commercial Bank of Africa
<b>CBK</b>	Central Bank of Kenya
<b>CIPD</b>	Chartered Institute of Personnel and Development
<b>GHRR</b>	Global Human Resource Research
<b>HR</b>	Human Resource
<b>HRM</b>	Human Resource Management
<b>KCB</b>	Kenya Commercial Bank
<b>PWC</b>	PricewaterhouseCoopers
<b>UK</b>	United Kingdom

## **OPERATIONAL DEFINITION OF TERMS**

<b>Human resource policies</b>	These are policies that govern the development of human resource programmes and practices based on strategic needs.
<b>Promotion policies</b>	Refers to policies that encourage skilled employees to engage in effective discretionary decision-making in a variety of environmental contingencies.
<b>Retention policies</b>	These are policies and programmes aimed at ensuring that the organization keeps its productive employees for a long period.
<b>Reward policies</b>	These are policies instituted by an organization to reward competent employees based on the value they add to an organization.
<b>Training and development Policies</b>	These are policies instituted by an organization to update employee skill sets by familiarize new entrants with core organizational goals and objectives through delivery of learning events and programmes.
<b>Turnover levels</b>	Refers to the ratio of employees leaving an organization to the number average number of total employees to be replaced.

## **CHAPTER ONE**

### **INTRODUCTION**

#### **1.0 Introduction**

This chapter comprised of a description of the background of study, statement of the problem, objectives of the study and significance of the study. The main purpose of the study was to determine the effects of human resource policies particularly; training and development policies, reward policies, retention policies and promotion policies on turnover levels within the banking sector in Kenya. It employed the usage of Barclays Bank of Kenya, Queensway branch as a case study.

#### **1.1 Background of the Study**

The advent of globalization has impacted developments in the human resource management prospects one of them being human resource policies. Human resource policies are decisions used by organizations to establish a comprehensive framework that will enhance personnel administration, employee performance index and employee interpersonal relationships. On the other hand, human resource policies address long term strategic human resource planning programs of organizations (Armstrong & Taylor, 2014).

As pointed out by Purcell et al (2003), high levels of organizational performance are not achieved simply by having a range of well-conceived HR policies and practices in place. What is significant is how these policies are implemented by an organization. Managers play a vital role in making involvement happen, in communicating, in being open to allow employee concerns to be raised and discussed, in allowing people space to influence how they do their job, and in coaching, guiding and recognizing performance and providing help for the future'. Purcell noted line managers can exercise that discretion by not putting HR's ideas into practice. As they observed, it is line managers who bring human resource policies to life.

Storey (2009) observed that: 'The premise is that, in some shape or form, human resource policies have an effect on HR policies and these in turn influence staff attitudes and behaviors which will, in turn again, impact on service offerings and customer perceptions of value.' Storey (2009) noted that the beliefs of HRM included the assumptions that it is the human resource that gives competitive edge and that the aim should be to enhance employee commitment which in

turn reduces employee turnover. Further, he asserted that HR decisions are of strategic importance and therefore, human resource policies should be part and parcel of an organization strategy.

Employee turnover is the rate at which people leave an organization. It can be disruptive and costly. From a global perspective, CIPD (2013) survey of resourcing and talent planning found that the average rate of turnover (the number leaving as a percentage of the number employed) in the UK was 11.9 per cent. The survey revealed that it is important for organizations to measure turnover levels based on calculated costs. This provides a clear future projection for budgeting and planning purposes with an aim finding out the reason why turnover levels in organization is high. Thus, strategic human resource plans can be used as mitigation strategy to address unnecessary employee turnover levels which in the end reduces costs of hiring new applicants.

Turnover levels on key employees can be detrimental on any business. Such instances occur when employees' organizations want to retain are the once leaving the organization. It was claimed by Reed (2009) that every worker is five minutes away from handing in his or her notice, and 150 working hours away from walking out of the door to a better offer. Today's workers have few qualms about leaving employers since there is no permanent positions being offered by organizations. Even though organizations are pushing to retain competent and talented employees, there is little an organization can do to influence employees to desists from leaving.

Organizations developing retention policies takes into consideration employee retention issues and develops a framework through which such issues can be addressed. This may mean accepting the following argument offered by Cappelli (2010) the strategy should be based on an analysis of the risks of leaving. Analyzing risk incorporates provision of exit interviews that highlight the main reason why employees are leaving the organization. It also showcases decisions and actions to be taken before it happens. Emphasis is usually placed on the areas where employees are not satisfied with their jobs.

People resourcing, often called 'employee resourcing' or simply 'resourcing', is the term used to cover employment activities that ensure the organization has the people it needs and deals with employee issues such as turnover and absenteeism. The employment activities comprise workforce planning, recruitment and selection, attracting and retaining people, managing

employee turnover, absence management and talent management (Armstrong & Taylor, 2014). People resourcing is associated with learning and development programmes that provide for the organization to have the skills and talented people it requires.

High employee turnover can have a devastating effect on a company, especially if the lost employees are high performers. This assertion by Hirra (2012) is based on the fact that replacing terminated personnel with new staff possessing the required skills is almost impossible. Additionally, when employees leave an organization, they create a pathway for others to follow suite. According to the Saratoga Institute, which specializes in quantitative human resources measurement systems, the average company loses about \$1 million for every 10 professional employees who leave (Hirra, 2012).

One factor that encourages employees to remain in organizations is continuous training, even though there are other underlining issues influencing turnover levels in an organization. Research by CIPD (2013) revealed that most American businesses invest heavily to a tune of 54.2 billion dollars on employee training and development. The benefits of such investment have reduced turnover levels in organizations. Even though many studies have focused on traditional methods of hiring and retaining competent employees, it is still apparent that very few studies address the issue from a financial perspective.

Consequently, training and development policies plays a significant towards interpersonal relationship with employees. Employees develop relationship with many aspirations and personal desires. With such aspirations, many employees are in a position to identify themselves with their organizations. In case training and development programmes fail, employees attitude changes drastically. In the end, such unexpected changes can decrease employee commitment to a greater extent which is a likelihood of turnover (Catherine, 2012).

The main purpose of employee retention policies is to prevent competent employees from leaving which in the long run affects productivity and profitability (Samuel & Chipunza, 2009). However, the challenge of attracting, retaining and motivating people has never been greater. On the other hand, retaining and attracting competent employees has not been an easy task for many organizations. Based on this, organizations have opted to use strategic staffing as way of planning for future events that are not easily predictable.

Trevor (2007) was the first study to focus on the net effect of promotions. These researchers reasoned that the reported negative associations between promotion and turnover might in fact have been driven by the relationship of salary growth with both variables. Indeed, Trevor (2007) found that once salary growth was controlled, actual promotions positively predicted turnover, with poor performer turnover most strongly affected. The researcher explained his exceptional findings by arguing that even though promotions may diminish the desirability of movement because of salary growth and other intrinsic benefits, the signal they provide to the external job market on the employee's ability.

According to a recent study by The Society for Human Resource Management, 63 percent of professionals would rather get a promotion with no pay increase than a pay bump without a promotion which is highly based on job satisfaction (GHRR, 2017). With a promotion, employees expect to have more responsibilities, more freedom and more future opportunities. The survey also revealed that most respondents believe that a promotion is warranted every two to three years.

On promotion policies, GHRR (2017) analyzed a study done by The Society for Human Resource Management. The study revealed that 63% of most professional employees depicted that they would rather prefer job promotion than little pay without a highly structured job satisfaction. Thus, promotion policies encourage employees to expect a conducive environment that will meet their needs. Moreover, many employees still have a notion that promotion is warranted in every two years.

Martin and Roodt (2011) revealed that hierarchical responsibility has developed as an extensive variety of sorts like engagement, connection, duty and contribution inside a wide range of work, work, vocation, calling, occupation, association and union. In spite of the absence of accord on the different definitions, conceptualizations and estimations, a typical subject is shared over every one of these deviations, specifically that hierarchical duty is thought to be a bond or linkage of the person to the association. They additionally said that the development in the dedication related ideas has not been joined via cautious division of responsibilities hypothetical space as far as the proposed significance of every idea or the concepts' relations among themselves. The condition of responsibility is not just isolated from its precursor and



considerable conditions and practices, yet in addition from its related emotional and conative parts that are likewise present in other generally utilized builds, for example, work fulfillment and turnover goals individually.

### **1.1.1 Banking Sector in Kenya**

The Central Bank of Kenya (CBK) Act, the Company Act and the Banking Act are the main regulators and governors of the Banking Industry in Kenya. CBK supervision annual report (2012) classified banks by asset and deposits and the seven largest banks by asset base are; Kenya Commercial Bank, Equity, Kenya Co-operative Bank, Standard Chartered Bank, Barclays Bank, Stanbic and CBA in that order. For example, the report identified Citibank as having the richest client base in the business with an average deposit of Kshs.22million. Similarly, Equatorial commercial bank makes the top 11 list with Kshs1.296 million per client. This means that the top 7banks with asset base may not even have quality deposits.

Per the report, some of the major issues facing the banking industry include; competition for clients and talents, staff turnover, fraud and minimum core capital requirements, Global crisis in 2010 which affected the banking industry in Kenya as well as many banking institutions in the world more so when it came to the mobilization of deposits and the decline of interest margins. Often, banks are very conservative with negative information concerning them. However, recruitment statistics from (Manpower & PWC, 2012) revealed a standard staff turnover rate to be 10 percent, meaning an estimated 3000 employees from the estimated 30,000 employees voluntarily leave employment annually (this being considered as normal and healthy statistics).

### **1.1.2 Barclays Bank of Kenya**

Barclays has operated in Kenya for over 100 years. Financial strength coupled with extensive local and international resources have positioned Barclays Bank of Kenya as a top provider of financial services in the market. With an extensive footprint of over 100 outlets and over 210 ATMs spread across the country, the banks boasts of years of superb financial performance that has built confidence among the Bank's shareholders, as well as a reputation as one of the leading blue chip companies on the Nairobi Securities Exchange. The bank also has robust internet and mobile Banking platforms as well as a 24/7 Call Centre that offers superior service to all customers.

The bank has a goal to build not only a sustainable, trusted business, but a brand of business which customers and clients alike consider to be the first choice for answers and solutions-provides a full spectrum of solutions ranging from personal banking, credit cards, corporate, investment banking, and wealth and investment management to its customers across the country. As a major global financial services organization, the need for different thinking, new ideas and fresh perspectives are the major drives to success and they strive to have a diverse workforce that is able to anticipate, deliver and exceed the needs of their customers in the various markets segments.

## **1.2 Statement of the Problem**

Employee retention of the most talented and highly skilled staff in organizations has become a challenge especially when such employees who are most likely to be promoted to fill up leadership positions in the organization as the vacancies arise being the ones who leave the organization thus leading to the talent paradox, a situation where vacancies are left to be filled by less talented and less ambitious employees in organizations.

In the case of Barclays Bank of Kenya, retention of staff has been a major challenge and has heavily impacted involuntary employee turnover (that is, the number of employees leaving the employer by circumstance rather than choice beyond their control). The costs associated with employee turnover can be measured in terms of direct costs such as hiring costs, training and orientation costs, loss of production and overtime costs. However, employee turnover also leads to indirect costs such as job dissatisfaction, decaying employee relations and less employee morale. The study therefore aimed at determine the effects of human resource policies on employee turnover level in the banking sector and emphasis is on Barclays bank of Kenya.

## **1.3 Objectives of the Study**

### **1.3.1 General Objectives of the Study**

This study sought to determine the effect of human resource policies on turnover level in the banking sector in Kenya.

### **1.3.2 Specific Objectives of the Study**

- i. To examine the effects of training and development policies on turnover level within Barclays Bank of Kenya.

- ii. To evaluate the effects of reward policies on turnover level within Barclays Bank of Kenya.
- iii. To analyze the effects of retention policies on turnover levels within Barclays Bank of Kenya.
- iv. To assess the effects of promotion policies on turnover level within Barclays Bank of Kenya.

#### **1.4 Research Question**

- i. What is the effect of training and development policies on turnover levels Barclays Bank of Kenya?
- ii. How do reward policies affect turnover levels within Barclays Bank of Kenya?
- iii. To what extent do retention policies influence turnover levels within Barclays Bank of Kenya?
- iv. What is the effect of promotion policies on turnover levels within Barclays Bank of Kenya?

#### **1.5 Significance of the Study**

##### **1.5.1 To the Human Resource Managers**

Human Resource Managers will be able to benefit from this study in that they will gain unique insight into the emerging issues in the business, more so the issues that can be directly and indirectly linked to human resource, which can be helpful in identification of problems before they arise thus enabling them to have a better understanding of the business. The study will also enable them to build enough rapport with all their staff which will provide an ideal opportunity to exchange ideas and feedback about development in the business.

##### **1.5.2 To the employees**

The employees will be enlightened on the mandate of the organization hence taking a more active role in the decision-making process. It also enables them to share information freely and assist them in striving to satisfy and exceed the expectation of both the customers and organization.

### **1.5.3 To the Researcher/Academicians**

This study will act as a valuable source of reference for other researchers/academicians who wish to gain more knowledge on the topic and will work as an avenue for future research. Also, the researchers may criticize areas not addressed by the researcher in a profound manner.

### **1.6 Scope of the Study**

This study aimed at determining the effect of human resource policies on turnover level in the banking sector in Kenya. The study focused more on determining various factors of human resource policies and their effects on turnover levels with a focus at Barclays Bank of Kenya located in Queensway Nairobi, Kenya. The study targeted 134 employees from the organization. The time frame is between February- June 2018.

### **1.7 Chapter Summary**

This chapter explored on the background of the research problem, objectives, research questions, significance and the scope of the study that was carried out and guided as the principle on which the research was underpinned. It also highlights the concept of human resource policies in relation to the banking sector in Kenya.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.0 Introduction**

Literature review is a comprehensive survey of previous inquiries related to a research study. This chapter reviews theoretical literature on the effects of training and development policies, reward policies, retention policies and promotion of staff on turnover level. The chapter also contains summary and knowledge gap.

#### **2.1 Theoretical Literature Review**

The research focused on various theories which explained human resource policies effects on turnover levels in the work place. The study was based on the following theories: Two factor theory and Maslow's hierarchy of needs theory.

##### **2.1.1 Two Factor Theory**

Frederick Herzberg proposed the two-factor theory also known as the motivator-hygiene theory that asserts that job factors have a direct impact on job satisfaction and these factors can be divided into two categories, first and foremost, hygiene factors which are those job factors that are essential for existence of motivation at workplace but do not lead to positive satisfaction for long-term. Further, the theory states that if hygiene factors are absent at workplace then they lead to dissatisfaction. The second type of factors proposed by the two-factor theory is motivational factors that yield positive satisfaction, inherent work and motivate employees for superior performance when implemented within the workplace. The most fundamental aspect is how these factors can functionally be applied by HRM practices to influence attitudes towards administration such that gratification of higher-level psychological needs impacts on staff retention (Yayub & Hassan, 2010).

##### **2.1.2 Maslow's Hierarchy of Needs Theory**

Maslow (2013), in his Hierarchy of Needs theory, stated that people are motivated to achieve certain needs and that some needs take precedence over others. The five levels of need according to Maslow are; psychological needs which are people's basic needs for air, water, food, shelter, sex and all relief from or avoidance of pain. If these needs are not met all other needs will not be a source of motivation. Safety needs are those that refer to a person's self-preservation, sense of physical protection and protection from emotional harm. Social needs are those that refer to

people's need to develop love, friendship, acceptance and affection. Esteem needs are those that people focus on once the other bottom tier needs are met and include acquiring status, self-respect, recognition and prestige. Self-actualization needs are the level of needs concerned with developing one's full potential to do so people seek growth, achievement and advancement.

## **2.2 Empirical Literature Review**

Research on the area of study that is employee turnover levels has been carried out in the past due to its implications on organizations. In resolving such issues, a review of past studies showed the strategies used to achieve it as being separate activities to be carried out by organizations rather than using these activities together in unison to achieve greater employee retention. Further, there have been arguments against financial rewards such as from Kohn (1998) in Harvard Business review whose work has been used by critics of such rewards as arguments saying that such rewards are not motivating and are indeed used as 'bribes in the workplace that do not work.'

Armstrong (2012) explains that critics of financial rewards argue against it due to confusing them with financial incentives and placing more importance on non-financial rewards. However, he asserts that the use of both financial rewards and non-financial rewards are motivating, increase job satisfaction and thus employee retention is achieved. This study shows how both financial and non-financial rewards can be used to achieve employee retention.

### **2.2.1 Employee Turnover Level**

Turnover level refers to the percentage of employees leaving the organization either on voluntary or involuntary basis. Much of this movement is undesirable and a reflection of unrest, necessary or at least unwanted cost. In the Human Resource context, turnover or staff turnover is the rate at which an employer loses employees (Skabelund, 2008).

According to Bowles and Cooper (2012), the concept of employee turnover has attracted policy makers from the academic realm and other business stakeholders. The authors affirm that such attention has shifted the economic and investment climate which in the end has increased competitiveness in the public and private sector organizations. In short, retention policies attract talented, educated and skilled personnel in a positive manner.

### **2.2.2 Training and Development Policies and Turnover Levels**

Mustafa (2007) conducted a study on the Impact of Employee Training and Innovation on Turnover Intention. The target population was 239 employees from 36 different firms conducting their businesses in Turkey. The main aim of the study focused on employee training and innovation as a means of reducing turnover levels in organizations. From the findings, the study affirmed a positive correlation between employee training and turnover intention. Furthermore, it was availed that training and development has a significant influence on turnover levels.

In another study, Bhatnagar (2013) titled ‘Management of innovation: role of psychological empowerment, work engagement and turnover intention in the Indian context’, which sampled a total sample population of 291 managers from the Indian industrial sectors of pharmaceutical, heavy engineering and financial sector. Results of structural equation model revealed work engagement as a strong mediator between psychological empowerment and innovation. The study also showed a strong empirical relationship among constructs of psychological empowerment, work engagement, innovation and turnover intention.

Locally, a study by Kahiro (2015) analyzed factors influencing high staff turnover in commercial banks in Kenya; a case of CBK. The study employed descriptive research design whereby a sample size of 44 respondents was selected for analysis. The findings of the study depicted that commercial banks provide training programs with an aim of minimizing employee turnover levels in future. The study recommendations for the study included providing a conducive work environment to satisfy employee needs and wants.

Okemakinde (2012) in his study on influence of motivation on turnover of library personnel in some public universities expressed that formal instruction and training is profoundly instrumental and a basic to enhance national generation limit, specifically that an informed populace is a gainful populace. Human asset chiefs and heads of office do not generally have what it takes expected to create staff and obviously many heads of office did not see staff advancement as one of the duties of their post. Open doors for training and advancement are among the most vital reasons why representatives remain particularly youthful and excited ones. It is however educational that preparation must not be led for its own particular purpose, but rather should be deliberate and processual, relied on adequately directed execution examinations,

distinguishing proof of training needs, and foundation of a skill system that tends to authoritative objectives.

A study by Robert (2013) role of human resource management in retaining staff showed that nonstop training and fortification builds up a work drive that is equipped, predictable, aggressive, compelling and productive, start on the principal day of work, giving the individual the vital aptitudes to play out their activity is vital. The study also availed that prior to the principal day, it is critical the meeting and enlisting process open new contracts to a clarification of the organization, so people know whether the activity is their best decision. Systems administration and strategizing inside the organization gives continuous execution administration and helps construct connections among associates. It is additionally essential to rouse representatives to concentrate on client achievement, beneficial development and the organization prosperity.

In order to find out effectiveness of training and development towards employee performance, Mapelu and Jumah (2013) conducted a study focusing on medium sized businesses in Kisumu town centre. The research design used was descriptive survey targeting 24 medium sized hotels in Kisumu town centre comprised of a total of 350 employees. The findings revealed that training and development significantly affected employee turnover levels to a high extent. It was also evident that training was an effective tool towards maintaining committed and productive workforce. Although training plays a major role in this process, Hotels need to look at additional strategies and practices that can enhance commitment. Training alone may offer many benefits but a much greater impact will be found when using a strategy to human resources that entails many different organizational practices and policies.

### **2.2.3 Reward Policies and Turnover Levels**

Cho, Woods, Jang, & Erdem, (2006) in a study of the relationship between HRM practices and organizational performance found out that companies providing incentive plans to employees are more likely to experience lower turnover rates among non-managerial employees. In addition, companies that apply reward policy usually reduce its labor turnover across the organizations.

In a study conducted by Chew & Chan (2008) remuneration or compensation positively predicted organizational commitment and intention to stay targeting 475 respondents in the



private and public-sector organizations in Australia and Europe. However, the results could be different in the African context. Hong, Hao, Kumar, Ramendran and Kadiresan (2012) equally found that, compensation is significant to employee retention. This result was based on 278 respondents in Malaysia's education sector. The study revealed that employee commitment package that includes compensation plans increases the chances of them committing their future in the country.

Moreover, a study by Obiero (2011) investigated the causes and consequences of employee turnover in financial institutions in Kenya. The study targeted employees that had resigned from the identified bank and bank managers in office during the time of resignation. A review of records in personnel files of separated employees was carried out to identify the causes of resignation. It was discovered major causes for turnover were salaries offered elsewhere, family issues, further studies and problems with bank administration among others.

A study by Phillips (2013) found out that compensation and prizes is guarantees that sufficient advantages and rewards bundles can essentially build the inspiration of a person to expand their work execution. Prizes frameworks have customarily been intended to pull in and hold beneficial representatives and in addition to rouse them to expand their exertion and yield towards accomplishing the authoritative objectives.

In his latest book on managing human resources, Condly (2011) found out that reward has consequently been believed to be an imperative instrument in representative execution. This is on account of an all-around compensated representative feels esteemed by the organization. After series of interviews with health workers, Condly observed that they are subsequently urged to work harder and better on the off chance that they know that their prosperity which is considered important by their managers, and that their vocation and self-advancement are likewise being dealt with by their organization in this way expanding worker execution.

Mendonca (2013) in his book concerning human resource planning strategies additionally observed that reward and remuneration framework depend on the hope hypothesis, which proposes that representatives will probably be roused to perform when they see there is a solid connection between their execution and the reward they get. Execution related plans compensate a gathering or group of workers with a money installment for accomplishing a concurred target.

These plans are altogether intended to upgrade organization execution by adjusting the interests of workers to the monetary execution of their organizations. A reward system consists with financial rewards, other benefits as well as non-financial rewards such as recognition, responsibility career prospects etc. The total reward system consists with mix of financial rewards, employee benefits and non- financial rewards (Armstrong, 2002).

A study by Mendis (2017), investigated the impact of reward system on employee turnover intention in logistics industry. The study sampled 97 managers in the logistic industry in Sri Lanka. The study employed questionnaires to collect data from the respondents. The study results revealed that re ward system was negatively and significantly correlated to turnover levels. Inferential statistics revealed that reward system is a powerful tool used to predict employee turnover levels and intentions. The findings also revealed that explicit and intrinsic rewards have a strong correlation with employee turnover levels and intentions. The study also recommended that the organization should develop a balanced system of rewarding employees both financially and non-financially.

Zahid & Moeed (2013) studied the relationship of work life balance and stress with turnover rate for employees. The results revealed that work life balance has a strong positive correlation with rate of turnover. Similarly, a study by Ghayyur & Jamal (2012) also concluded that, work life balance and employee turnover intention has significant and positive correlation, despite of all demographic characters such as gender, material status and designation. Work- family conflicts create problems for workforce which influences on their intention to leave. Other studies such as Noor (2011) revealed that, there is a negative correlation between work life balance satisfaction and intention to leave. And this relationship is mediated by job satisfaction and organizational commitment. The studies implied that work life balance increased employee turnover levels in most organizations. However, the studies did not stipulate the extent to which it might influence reward systems which in turn increased or decreased employee turnover levels in the long run.

#### **2.2.4 Retention Policies and Turnover Levels**

Mensah (2010) examined 26 banks in Ghana with an aim of finding out the effect of HRM practices on employee retention. The study sampled of 342 employees were selected from various banks. The study findings revealed that human resource practices influenced the rate at

which employees considered their decision not to leave an organization. Consequently, relationship between employee engagement and work-life balance provided a comprehensive framework for analyzing employee turnover levels in the banks.

It is also apparent that retention policies also influenced training practice that transformed employees' skills in an organization. Ahmad (2014) examined the impact of training practice on employees' intention to remain or leave an organization. The research has identified how great the effect of training practice on employee retention is. Data has been collected from 100 employees of Public/Private organizations using convenience sampling technique. Descriptive statistics, correlation and regression analysis techniques are used to analyze data. The results showed that positive relationship exist between training and employees' retention policies. The author further elaborated that employees' decision to stay for a longer period of time can be influenced by both training and retention policies.

Theen & Heng (2012) conducted a study on the reward strategy and performance measurement among insurance companies in Malaysia. The study employed intensive case study based on two prominent insurance companies in the region based on their size and capital growth. The findings showcased that there is a high significant correlation between equal pay and employee performance in Malaysian Insurance Companies. It was also apparent from the study that as the reward of employees increased, the more there is increase in financial and non-financial performance which in turn improved the company's compensation. Moreover, reward was highly linked the nature of work or tasks being performed by employees.

In any aggressive business condition, both locally and internationally, it is basic for organizations to offer workers appealing, lucrative and focused compensation bundles. These are specifically connected or between identified with enhancing person's activity competency, holding high achievers lastly accomplishing the hierarchical exhibitions and objectives. An alluring compensation bundle has been a standard of any work contract. The examination and prizes frameworks for workers are presently firmly connected to the execution estimation markers of the organizations. In the event that such reward does not comparable with their activity execution, this can prompt low inspiration and high weakening, at last influencing administration conveyance (Thum, 2012).

### **2.2.5 Promotion Policies and Turnover Levels**

Saporta and Farjuon (2013) investigated the relationship between actual promotion and turnover among professional. The study examined information from promotion policies and organizations turnover levels. It was evident that the chances of an employee leaving an organization was high based on past promotion records. The findings revealed that, regardless of occupational affiliation, past promotions reduced.

Catherine (2011) also closely examined annual turnover rates in private clubs and the reasons why employees left their jobs, as perceived by management. Members of the Club Managers Association of America were randomly selected and surveyed. The analysis compared turnover and managers' perceptions of reasons for turnover with: manager's years of experience in current position; years of experience in the industry. The employees should always be rewarded and recognized for work well done but not basing on only policies of the organizations.

Saporta and Farjoun (2010) did a study on the effect of actual promotion on turnover levels among professional and managerial administrative occupational groups. The study examined the actual longitudinal records of organizations focusing mainly on promotion and employee turnover levels. The results from the study revealed that with regardless to any affiliation, promotion policies reduced the chances of employees leaving an organization. However, it was also evident that professionals were likely to be promoted at a higher rate than managers and administrators who have similar quitting rates. Based on this, the study concluded that occupational group affiliation does has an important role towards employee turnover levels.

Jovanovic (2014) stated that enrollment is a procedure of drawing in a pool of great candidates in order to choose the best among them. Therefore, top performing organizations dedicated significant assets and vitality to making brilliant choice frameworks. Additionally, identified with the accomplishment of an enlistment procedure are the methodologies an association is set up to utilize so as to distinguish and select the best possibility for its creating pool of HR, Organizations looking for initiates for base-level section positions regularly require least capabilities and encounters. At the center levels, senior authoritative, specialized and junior official positions are frequently filled inside. The push for rare, top notch ability, regularly enlisted from outer sources, has more often than not been at the senior official levels. Most

associations use the two instruments to impact enlistment to all levels.

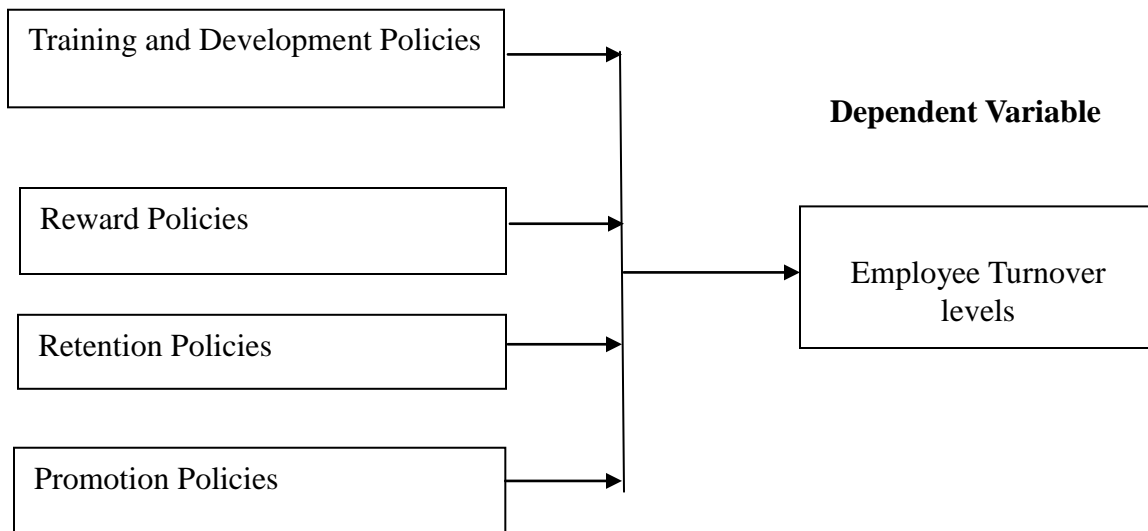
### 2.3 Summary of Review and Research Gaps

From the studies, it is evident that the concept of human resource policies has not been instilled to the latter by many organizations. Also, the studies showcase a strong correlation between human resource policies and employee turnover levels. Moreover, studies have not addressed fully the relationship between human resource policies and turnover levels specifically in the banking sector. Based on this, the study will address the gaps by conducting a further research to determine the extent to human resource policies (training and development policies, reward policies, retention policies) affect turnover levels within the banking sector in Kenya. In addition, the study will also address the practical application of human resource policies towards improvement of employee turnover levels in the banking sector specifically in Kenya.

### 2.4 Conceptual Framework

**Figure 2.1** Conceptual Framework

#### Independent Variables



### 2.5 Operationalization of Variables

Training and development equips employees with the necessary skills to perform at their best. In relation to turnover levels, training and development indicators such as performance management, good governance, capacity building learning and development can be used to measure employee performance levels that support their skill sets. Many organizations revise

reward policies to retain skilled employees within the organization. To achieve this, reward policies indicators such as employee recognition, salary increment, leave allowance and financial reward provides a model of evaluating employee turnover levels within an organization. Consequently, retaining competent employees is evaluated based on placement of staff, employee engagement health and safety environment measures. Motivation, career development and remuneration are promotional indicators used to appreciate employee's hard work within an organization. Finally, turn over levels is highly influenced by turnover costs, high retention rate and employee engagement play a significant role towards measurement of turnover levels in organizations.

**Table 2.1 Operationalization of Variables**

<b>Variables</b>	<b>Measurement parameters</b>
<b>Independent</b>	<b>Indicators</b>
Training and Development Policies	Performance management Capacity building Learning and Development
Reward Policies	Employee recognition Salary Increment Leave Allowance Financial reward
Retention Policies	Placement of staff Employee Engagement Health and Safety Environment
Promotion Policies	Motivation Career Development Remuneration

Dependent Variable	
Turnover Levels	Turnover costs High retention rate Employee engagement

## 2.6 Chapter Summary

This chapter is comprised of theoretical review, empirical review, summary and gaps to be filled and conceptual framework. It also highlights main concepts that depict different interpretation of turnover levels empirically and theoretically from various studies.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.0 Introduction**

This section presented the research design, target population, sampling design and data collection instruments. It further contained a data analysis section and research ethical concerns that were encountered during the duration of the study.

#### **3.1 Research Design**

Descriptive research design is concerned with describing the characteristics of an individual or group. The researcher used this type of research design as information gathered could be used to make professional judgments on the case study. Due to its involving description, recording, analysis and interpretation, it was most preferred because of its applicability in solving different kinds of problems (Kothari, 2008). The descriptive research design addresses the questions who, what, when and how much (Mitchell and Jolley, 2012). The questions asked of the respondents in the form of questionnaires equipped the researcher with greater understanding of the study subject matter.

#### **3.2 Target Population**

A target population of the study is the entire group of individuals of subjects about which inferences are made of as defined by the selection criteria for the study (Kothari, 2008). The target population of the study comprised of 134 employees of Barclays Bank of Kenya

**Table 3.1 Target Population**

<b>Population category</b>	<b>Target</b>	<b>Percentage (%)</b>
Administrative staff	3	3
Supervisory staff	10	7
Subordinate Staff	121	90
<b>Total</b>	<b>134</b>	<b>100</b>

**Source: Barclays Bank of Kenya (2018)**



### 3.3 Sample and Sampling Technique

A sample is a sub set of the target population that is accessible for study generally because of geographic or temporal consideration (Kothari, 2008). The researcher employed the usage of stratified random sampling to derive a suitable sample from the target population. From the 134 employees of the Barclays Bank Queensway Branch that were targeted, a sample of 68 respondents was derived from the human resource department; that represented 50% of the target population. This was because according to Mugenda and Mugenda (2008), a sample size that lies between 30% and 50% is appropriate for any study being conducted. Out of the 3 administrative staff, 2 of them were selected while from the 10 supervisory staff, 5 of them were selected and from the total 121 subordinate staffs, the study sampled 61 of them bringing a total of 68 respondents as shown below.

**Table 3.2 Sample Size**

<b>Population Category</b>	<b>Target Population</b>	<b>Sample Size</b>	<b>Percentage</b>
Administrative staff	3	2	3
Supervisory Staff	10	5	7
Subordinate Staff	121	61	90
<b>Total</b>	<b>134</b>	<b>68</b>	<b>100</b>

**Source: Researcher 2018**

### 3.4 Research Instruments

The researcher used questionnaires in the collection of primary data from respondents. The reason the researcher adopted this data collection instrument is that questionnaires are more economical in that they supply a considerable amount of research data at a relatively low cost in terms of materials and cost (Mugenda and Mugenda, 2012). They are also easier to arrange for than other data collection instruments such as interviews. The questionnaires that were used contained both structured questions, which ensured that the given answers were relevant and unstructured questions in the collection of primary data which provided for relevant explanation by respondents hence giving them freedom to express their feelings.

### **3.5 Pilot Study**

Kothari (2008) described a pilot study as a small - scale preliminary research undertaken to evaluate cost, adverse events, time, and feasibility statistical variability to predict an appropriate size of sample and hence improve on the design of the research before undertaking a full-scale. Self-administered structured questionnaires will be developed by the researcher in view of the exploration inquiries as an information gathering instrument. The survey was piloted tried preceding utilizing it to gather information. It is critical to do the pilot test as this guarantees the respondents comprehend the inquiries (questions are clear) and the wording, language structure and stream are clear also (Sekaran and Bougie, 2013).

For purposes of this study, a pilot study of 10% of sample size estimate of 68 respondents was selected randomly. According to Connelly (2008), a pilot study sample should be 10% of the sample projected for the larger parent study. For this reason, a sample of 7 respondents was chosen from the population during piloting which was not included in the sample chosen for the main study.

#### **3.5.1 Validity of the Research Instrument**

Validity of research instruments were confirmed by developing four questionnaires and the same questionnaires were distributed to the respondents. The researcher preferred seven questionnaires due to availability of the respondents. Their response enabled the researcher to make any amendments on the main questionnaire before distributing back to the target population with corrected questions that were used to collect the data.

#### **3.5.2 Reliability of the Research Instrument**

Reliability is concerned with consistency, dependability or stability of a test (Kothari, 2008). The researcher measured the reliability of the questionnaire to determine its consistency in testing what they are intended to measure. The test re-test technique was used to estimate the reliability of the instruments. This involved administering the same test twice to the same group of respondents who were identified for this purpose.

### **3.6 Data Collection Procedure**

Questionnaires were hand-delivered and collected after a few days. The types of questions included both open and closed ended. Closed ended questions were used to ensure that the given

answers are relevant. The researcher phrased the questions clearly in order to make clear dimensions along which respondents were analysed. In open ended questions, space was provided for relevant explanation was considered effective to the study. The presence of the researcher was not required as the questionnaires were self-administered.

### **3.7 Data Analysis and Presentation**

Data that was collected from questionnaires was analyzed and presented in the form of tables, pie charts and graphs. Both qualitative and quantitative methods were used to analyze data collected from respondents.

### **3.8 Ethical Considerations**

#### **3.8.1 Informed Consent**

An informed consent ensures that the respondents understand their rights and obligations before participating in any research study. This was represented by an introduction letter attached to questionnaire. Consequently, the selected respondents were consulted before they participate in the research study.

#### **3.8.2 Voluntary Participation**

The respondents were not coerced to participate in the study. Instead, the respondents were briefed on the research objectives and aim before they make their own informed consent. Also, each respondent had an equal right to either choose to participate or withdraw from the study at any time.

#### **3.8.3 Confidentiality**

The respondents were accorded code names in form of numbers rather than use their real names. This ensured that their identity is protected from any other participant and the organization itself. Also, an assurance was made concealing sensitive data from any other third-party organization.

#### **3.8.4 Privacy**

Kothari (2008) asserts that any respondent participating in a research study is entitled to privacy as part of the ethical consideration. To ensure the privacy of the respondents, the questionnaires were distributed to the respondent's workstation or any other private area they felt safe. This ensured that there was no interference or influence from other respondents.

### **3.8.5 Anonymity**

The research collected and presented the research findings without revealing the identity of the participants or any other details that might lead to them. Based on this, the respondents were advised not to include their names or identification details. Rather, they assigned code names during the research process.

### **3.9 Chapter Summary**

This chapter explored the research design, target population, sample and sampling technique, data instrument employed, the availability and reliability of the data collected, the analysis and presentation and moral considerations.

## CHAPTER FOUR

### DATA ANALYSIS, PRESENTATION AND INTERPRETATION OF FINDINGS

#### 4.0 Introduction

This chapter analyzes the data collected from the respondents based on the research questions. It contains presentation of the findings, limitation of the study and chapter summary.

#### 4.1 Presentation of Findings

##### 4.1.1 Response Rate

**Table 4.1 Response rate**

Category	Frequency	Percentage
Responses	51	75
Non-responses	17	25
<b>Total</b>	<b>68</b>	<b>100</b>

Table 4.1 show the response rate, 75% of the respondents participated effectively in the study while 19% failed to participate. The study indicated was successful as indicated from the analysis. This conforms with the assertions made by Mugenda & Mugenda (2012) who stated that a response rate which is above 75% is excellent when carrying out the study.

**Table 4.2 Gender analysis**

	Frequency	Percent	Valid Percent	Cumulative Percent
Male	29	56.9	56.9	56.9
Female	22	43.1	43.1	100.0
Total	51	100.0	100.0	

Table 4.2 indicated the gender analysis of the respondents. 56.9% represented male while 43.1% represented female. The study showed that both gender participated in the study. Though the percentage of male was higher than female the study shows there was gender parity at the Barclays bank.

**Table 4.3 Age Bracket**

	Frequency	Percent	Valid Percent	Cumulative Percent
18-24 years	15	29.4	29.4	29.4
25-34 years	11	21.6	21.6	51.0
35-44 years	9	17.6	17.6	68.6
45-55 years	13	25.5	25.5	94.1
56 years and above	3	5.9	5.9	100.0
Total	51	100.0	100.0	

Table 4.3 indicate the age bracket of the respondents. The study showed that 29.4% were aged bracket of 18-24 years, 21.6% represented 25-34 years, 17.6% represented 35-44 years, 25.5 represented 45-55 years while 5.9% represented 56 years and above. The study indicated that the organization had more energetic employees to perform their work which was between the age of 18-24 years.

**Table 4.4 Education Level**

	Frequency	Percent	Valid Percent	Cumulative Percent
Primary	6	11.8	11.8	11.8
Secondary	13	25.5	25.5	37.3
College	17	33.3	33.3	70.6
University	15	29.4	29.4	100.0
Total	51	100.0	100.0	

Table 4.4 indicate the level of education in the organization. The study indicated that staff that had solely attained primary level education was represented by 11.8%, secondary level education represented 25.5%, and college was 33.3% while university was represented by 29.4%. The organization recruited its staff after completing diploma level education.

**Table 4.5 Training and Development Policies**

	Frequency	Percent	Valid Percent	Cumulative Percent
Very great extent	19	37.3	37.3	37.3
Great extent	9	17.6	17.6	54.9
Average extent	6	11.8	11.8	66.7
Very low extent	8	15.7	15.7	82.4
Low extent	7	13.7	13.7	96.1
Not at all	2	3.9	3.9	100.0
Total	51	100.0	100.0	

Table 4.5 indicates the extent to which knowledge skills and abilities are of the value to the organization. Majority of the respondents represented by 37.3% represented very great extent, 17.6% represented 17.6%, average extent was represented by 11.8%, 15.7% represented very low extent, low extent was represented by 13.7% while not at all was represented 3.9%. The respondents stated that skills were an important aspect in ensuring that employees perform their work in an efficient manner.

**Table 4.6 Extent of Training and development on turnover levels**

	Frequency	Percent	Valid Percent	Cumulative Percent
Very great extent	18	35.3	35.3	35.3
Great extent	10	19.6	19.6	54.9
Average extent	11	21.6	21.6	76.5
Very low extent	8	15.7	15.7	92.2
Low extent	3	5.9	5.9	98.0
Not at all	1	2.0	2.0	100.0
Total	51	100.0	100.0	

Table 4.6 indicated the extent to which training and development affect turnover levels. The study indicated that 35.3% affected at very great extent, 19.6% represented great extent, 21.6% represented average extent, 15.7% represented very low extent while not at all was represented by 2%. The respondents stated that the organization failed to train employees on different skills required to perform their task and this was a great factor which affected performance of their duties and this resulted to high turnover levels

**Table 4.7 Whether Reward Policies affect Employee turnover**

	Frequency	Percent	Valid Percent	Cumulative Percent
Yes	29	56.9	56.9	56.9
No	22	43.1	43.1	100.0
Total	51	100.0	100.0	

Table 4.7 indicates whether reward policies affect employee's turnover levels in the organization. Based on the study findings, 56.9% stated reward policies affect employee turnover while 43.1% said its not affect. The respondents indicated that the organization lacked proper remuneration policies which failed to reward employees on performance and thus affected employee turnover.

**Table 4.8 Extent of reward policies on employee turnover**

	Frequency	Percent	Valid Percent	Cumulative Percent
Very great extent	13	25.5	25.5	25.5
Great extent	12	23.5	23.5	49.0
Average extent	9	17.6	17.6	66.7
Very low extent	6	11.8	11.8	78.4
Low extent	7	13.7	13.7	92.2
Not at all	4	7.8	7.8	100.0
Total	51	100.0	100.0	



Table 4.8 indicate the extent to which reward policies affect employee turnover levels. Very great extent was represented by 25.5%, 23.5% represented great extent, 17.6% represented average extent, 11.8% represented very low extent ,13.7% represented low extent while not at all was represented by 7.8%. Majority of the respondents were of the opinion that adequate reward polices were necessary in the organization.

**Table 4.9 Whether Employees are Satisfied with Reward Offered in the Organization**

	Frequency	Percent	Valid Percent	Cumulative Percent
No	39	76.5	76.5	76.5
Yes	12	23.5	23.5	100.0
Total	51	100.0	100.0	

On whether the employees are satisfied with the rewards offered in the, 76.5% stated that they were not satisfied while 23.5% said they are satisfied. The respondents indicated that the organization lacked proper procedure of rewarding their employees and thus promoted employee's turnover.

**Table 4.10 Extent of Retention Policies on turnover Levels**

	Frequency	Percent	Valid Percent	Cumulative Percent
Very great extent	14	27.5	27.5	27.5
Great extent	11	21.6	21.6	49.0
Average extent	9	17.6	17.6	66.7
Very low extent	7	13.7	13.7	80.4
Low extent	8	15.7	15.7	96.1
Not at all	2	3.9	3.9	100.0
Total	51	100.0	100.0	

Table 4.10 indicate the effect of retention policies on turnover levels in the organization. Very great extent was represented by 27.5%, 21.6% represented great extent, 17.6% represented average extent, very low extent was represented by 13.7%, 15.7% represented low extent while not at all was resented by 3.9%. The respondent stated that the retention policies which existed in the organization was not clearly defined and thus affected the turn over level in the organization.

**Table 4.11 Whether Retention Policies affect Turnover Levels**

	Frequency	Percent	Valid Percent	Cumulative Percent
Never	12	23.5	23.5	23.5
Sometimes	12	23.5	23.5	47.1
Most of the times	8	15.7	15.7	62.7
All the times	19	37.3	37.3	100.0
Total	51	100.0	100.0	

Table 4.11 indicate the analysis on whether retention polices affect turnover levels in the organization, 23.5% represented never, sometimes was represented by 23.5%, most of the times was represented by 15.7% while all the times was represented by 37.3%.

**Table 4.12 Effect of Retention policy on Turnover Levels**

	Mean	Std. Deviation	Ranking
The working conditions in most banks are good and safe.	2.5294	1.13759	3
The organization's management has created an open and comfortable working environment	2.6275	1.46916	2
The organization recognizes and rewards employee loyalty	2.2549	1.14618	5
The organization recognizes and values employee's ideas, opinions and suggestions	2.3725	1.16552	4
Employees feel a sense of belonging within the organization	2.7255	1.44331	1
N=51			

Table 4.12 indicates whether the statement affect turnover levels in the banking industry. Employees feel a sense of belonging within the organization was the ranked the highest with a mean of 2.7255, the organization's management has created an open and comfortable working environment was the second with a mean of 2.6275, the working conditions in most banks are good and safe was ranked third with a mean of 2.5294, the organization recognizes and values employee's ideas, opinions and suggestions was ranked fourth with a mean of 2.3725 while the organization recognizes and rewards employee loyalty was ranked last with a mean of 2.2549. The respondents stated that banks lacked proper retention policy and thus employees failed to have a sense of belonging within the organization.

**Table 4.13 Whether Promotion Policies affect turnover levels**

	Frequency	Percent	Valid Percent	Cumulative Percent
Yes	34	66.7	66.7	66.7
No	17	33.3	33.3	100.0
Total	51	100.0	100.0	

The analysis indicated that promotion policies affect turnover levels in the bank which was represented by 66.7% while 33.3% stated that it does not affect. The respondents stated that the organization lacked adequate procedure of promoting their employees which created conflicts and thus resulted in turnover of employees.

**Table 4.14 Level of Satisfaction**

	Frequency	Percent	Valid Percent	Cumulative Percent
Highly dissatisfied	13	25.5	25.5	25.5
Dissatisfied	13	25.5	25.5	51.0
Neutral	9	17.6	17.6	68.6
Satisfied	9	17.6	17.6	86.3
Highly satisfied	7	13.7	13.7	100.0
Total	51	100.0	100.0	

On whether the employees were satisfied with promotion policies in the organization, 25.5% were highly dissatisfied, dissatisfied was represented by 25.5%, neutral was represented by 17.6%, satisfied was represented by 17.6% while highly satisfied was represented by 13.7%. The respondents stated that there lacked coordination when promoting employees and this resulted in lack of satisfaction by the employees.

**Table 4.15 Extent of promotion policies on turnover levels**

	Mean	Std. Deviation	Ranking
Promotional policies reduce an employee's rate of turnover in an organization	2.4314	1.26894	4
Employees find it difficult to quit even when promotion policies are scarce.	2.5098	1.34718	2
Promotional policy in most banks is usually fair	2.4706	1.23860	3
Promotion policy confer benefits such as status, skill development and job satisfaction.	2.6275	1.31089	1

**N=51**

Table 4.15 indicated how the respondents rated promotion policies on turnover levels in the organization. Promotion policy confer benefits such as status, skill development and job satisfaction were ranked first with a mean of 2.6275, employees find it difficult to quit even when promotion policies are scarce was ranked the second with a standard deviation of 2.5098, Promotional policy in most banks is usually fair was ranked third with a mean of 2.4706 while Promotional policies reduce an employee's rate of turnover in an organization was the least with a mean of 2.4314. Majority of the respondents were of the opinion that lack of proper promotional policies and this resulted in high turnover levels at Barclays bank.

**Table 4.15 Correlation Analysis**

		Training and developm ent	Reward policies	Retention policies	Promotio nal policies
Training and development	Pearson	1	.571	.972	.963
	Correlation				
	Sig. (2-tailed)		.000	.000	.000
	N	51	51	51	51
Reward policies	Pearson	.571	1	.597	.583
	Correlation				
	Sig. (2-tailed)	.000		.000	.000
	N	51	51	51	51
Retention policies	Pearson	.972	.597	1	.962
	Correlation				
	Sig. (2-tailed)	.000	.000		.000
	N	51	51	51	51
Promotional policies	Pearson	.963	.583	.962	1
	Correlation				
	Sig. (2-tailed)	.000	.000	.000	
	N	51	51	51	51

Correlation is significant at the 0.01 level (2-tailed).

Table 4.15 intended to determine whether there exists a relationship between the variables. The study showed that there existed a strong relationship between training and development, reward policies, retention policies and promotional activities. A correlation is significant when below 0.05 and since the correlation in study stood at 0.01, the correlation between the independent variables and dependent variable was considered to be significant.

## **4.2 Limitations of the study**

While carrying out the study the researcher encountered the following limitations.

### **4.2.1 Co-operation**

The researcher encountered a situation where the respondents were not willing to give the information about the study as required. The importance of the study and how it could help the organization was explained to the respondents to counter the resistance encountered from some respondents.

### **4.2.2 Confidentiality**

The respondents were reluctant to provide information as was required for the fear that the information could not be kept confidential. The respondent thought the information given could be used by other banks to improve on their performance without their knowledge. The researcher informed the respondents that the study could only be used for academic purpose and no other use.

## **4.3 Chapter summary**

This chapter has analyzed the data collected from the respondents based on the research questions. The chapter also contains presentation of the findings and limitations of the study

## **CHAPTER FIVE**

### **SUMMARY, CONCLUSIONS AND RECOMMENDATIONS**

#### **5.0 Introduction**

This chapter entails presentation of findings from the completed research study, the conclusion and the recommendations of the research study.

#### **5.1 Summary of Findings**

##### **5.1.1 What is the effect of training and development policies on turnover levels Barclays Bank of Kenya?**

The study indicated that training and development affected turnover levels in Barclays bank. Majority of the respondents stated the manager failed to conduct in house training for their employees which is a requirement and therefore employees lacked skills to perform their duties effectively. This statement concur with Kahiro (2015) who stated that banks provide training programs with an aim of minimizing employee turnover levels in future.

##### **5.1.2 How do reward policies affect turnover levels within Barclays Bank of Kenya?**

Majority of the respondents stated that reward policies affect turnover levels within Barclays bank of Kenya. The respondents stated that the method of remuneration which was adopted by the banks failed to link employee performance to rewards and this greatly affected their motivation which in turn affected the turnover levels of the organization. This statement is in agreement with Obiero (2011) who in his study reviewed records in personnel files of separated employees which was carried out to identify the causes of resignation. It was discovered that one of the major causes of employee turnover was salaries offered elsewhere, family issues, further studies and problems with bank administration among others.

##### **5.1.3 To what extent do retention policies influence turnover levels within Barclays Bank of Kenya?**

Retention policies were found to affect turnover levels in Barclays bank of Kenya. The respondents indicated that retention policies which the organization adopted were not favorable to employees. The respondents stated that the organization lacked proper system of retaining their employees which affected employee turnover. This statement concurs with Mensah (2010) who stated that relationship between employee engagement and work-life balance provide a

comprehensive framework for analyzing employee turnover levels in the banks.

#### **5.1.4 What is the effect of promotion policies on turnover levels within Barclays Bank of Kenya?**

Majority of respondents were of the opinion that promotion policies in the organization were not based on performance and thus employees were dissatisfied with the positions they were, at the time of the study, engaged in by the organization. The respondents also argued that the organization lacked proper procedure of promoting their employees. This statement concurs with Saporta and Farjuon (2013) who stated that it is evident that the chances of an employee leaving an organization is high based on past promotion records. Regardless of occupational affiliation, past promotions reduced.

### **5.2 Conclusion**

The study concluded that training and development, reward policies, retention policies and promotion policies affect turnover levels in Barclays bank. Based on training and development, the respondents stated that the bank failed to train their employees and thus lacked the skills to perform their job. Proper reward policy in the organization was inadequate as indicated by the respondents. The respondents stated that the organization inadequately remunerated their employees and thus resulted in high turnover level in the bank as staff sought better rewards elsewhere. The retention procedure in the organization was also found to be irrelevant in the current context of the organization and failed to adopt modern methods of addressing staff turnover and thus resulted in high turnover of employees. Barclays bank failed to implement procedure for promoting their employees as indicated in the study.

### **5.3 Recommendations**

#### **5.3.1 Training and Development**

The study recommend that Barclays bank of Kenya should ensure that they train their employees regularly. The bank should hold in house training for their employees which will ensure that they acquire the skills to perform their duties in an effective and efficient manner.

#### **5.3.2 Reward Policies**

The research study recommended that the bank should have a proper procedure of rewarding their employees. Remuneration of employees should be based on performance of employees.



This will facilitate and ensure that each and every employee is properly motivated.

### **5.3.3 Retention Policies**

Barclays bank of Kenya should develop and implement retention policies. This will help the bank in ensuring that employees with skills to perform the work are retained in the organization which will boost the performance of the bank.

### **5.3.4 Promotion Policies**

The study recommends that the promotion policies in the bank should be clearly formulated. The bank should promote employees based on their performance. The bank should ensure that they maintain employees who highly perform at their place of work.

### **5.4 Suggestion for Further Study**

The study was carried out to investigate effects of human resources policies on turnover level within the banking sector in Kenya and was confined at Barclays bank. The researcher suggests that further study should be conducted in different sectors across different industries for more concrete evidence on the impact of such policies on the different categories of staff spread throughout different industries.

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## **APPENDICES**

### **APPENDIX I: LETTER OF INTRODUCTION**

**Date.....**

**Dear Respondent,**

I am a student at Management University of Africa (MUA) pursuing Bachelor's Degree in Business Management and Leadership program. In partial fulfillment of my course work, I would like to do a research on the effects of human resources policies on turnover level within the banking sector in Kenya.

Kindly therefore, complete the attached questionnaire with accurate information that will be used entirely for this research while observing utmost confidentiality.

Your assistance is highly valued. Thank you in advance.

Yours faithfully,

JOSHUA MUTINDA KILONZO

## APPENDIX 11: QUESTIONNAIRE

Kindly fill in the questionnaire precisely and accurately

### SECTION A: PERSONAL DETAILS

1. Kindly indicate your gender by checking the appropriate box below

☐

Male

☐

Female

2. Kindly indicate your age by checking the appropriate box

☐

18- 24 years

☐

25 -34 years

☐

35-44 years

☐

45-55 years

☐

56 years and above

3. Department\_\_\_\_\_

4. Kindly indicate the highest level of education you have achieved by checking the appropriate box

☐

Primary

☐

Secondary

☐

College

☐

University

### SECTION B: TRAINING AND DEVELOPMENT POLICIES

5. To what extent do you feel that your knowledge, skills and abilities are valued by your organization?

☐

A very great extent

☐

Great Extent

☐

Average extent

☐

A very low Extent

☐

A low extent

☐

Not at all

6. Do you think that training and development policies affect turnover levels? Explain

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7. To what extent does Training and Development affect turnover levels?

☐

A very great extent

☐

Great Extent

☐

Average extent

☐

A very low Extent

☐

A low extent

☐

Not at all

### SECTION C: REWARD POLICIES

8. Do you think that reward policies affect employee turnover levels?

Yes ☐ No ☐

please explain

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9. To what extent do you feel that reward policies contribute to turnover levels?

<input type="checkbox"/> A very great extent	<input type="checkbox"/> Great Extent
<input type="checkbox"/> Average extent	<input type="checkbox"/> A very low extent
<input type="checkbox"/> A low extent	<input type="checkbox"/> Not at all

10. Do you feel satisfied with the rewards offered in your current position in the organization?

Yes ☐ No ☐

Explain

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### SECTION D: RETENTION POLICIES

11. To what extent do retention policies affect turnover levels in your organization?

<input type="checkbox"/> A very great extent	<input type="checkbox"/> Great Extent
<input type="checkbox"/> Average extent	<input type="checkbox"/> A very low extent
<input type="checkbox"/> A low extent	<input type="checkbox"/> Not at all

12. Do you think that employee retention affects the development of organization?

Never [ ☐ ] Sometimes [ ☐ ] Most of the times [ ☐ ] All the times [ ☐ ]



13. Please showcase the extent to which you agree with the following statements by ticking (✓) the appropriate response

Statement	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
The working conditions in most banks are good and safe.					
The organization's management has created an open and comfortable working environment					
The organization recognizes and rewards employee loyalty					
The organization recognizes and values employee's ideas, opinions and suggestions					
Employees feel a sense of belonging within the organization					

14. Give any recommendation(s) you have on how the institution can deal with turnover levels.

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## SECTION E: PROMOTION POLICIES

15. Do promotion policies affect turnover levels in your organization?

Yes    ☐    No    ☐

If yes, please indicate the level of satisfaction with promotion policy in your company?

Highly Dissatisfied ☐ Dissatisfied ☐ Neutral ☐ Satisfied ☐ Highly Satisfied ☐

16. Please indicate on a scale of 1-5, where 1 = strongly agree, 2= agree, 3= undecided, 4= disagree and 5= strongly disagree, on the following statements concerning promotion policies and turnover levels.

Statements	1	2	3	4	5
Promotional policies reduce an employee's rate of turnover in an organization					
Employees find it difficult to quit even when promotion policies are scarce.					
Promotional policy in most banks is usually fair					
Promotion policy confer benefits such as status, skill development and job satisfaction.					

17. In what ways do you think that the organization can improve its on promotion policies?

Explain

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**Thank You for Your Cooperation**